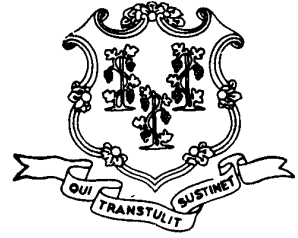


Department of Consumer Protection



Testimony of Jonathan A. Harris Commissioner, Department of Consumer Protection

Appropriations Committee
February 14, 2017

Senator Osten, Senator Formica, Representative Walker, Representative Ziobron and Honorable Members of the Appropriations Committee, good morning, I am Jonathan Harris, Commissioner of the Department of Consumer Protection (DCP). I'm here today with Deputy Commissioner, Michelle Seagull. We thank you for this opportunity to testify in support of Governor Malloy's proposed budget for our agency for the upcoming biennium.

As you know, DCP is the state's regulatory agency responsible for protecting our citizens from physical injury and financial loss that may occur because of unsafe or fraudulent products and services sold in the state. Our mission is to ensure a fair marketplace for consumers and a level playing field for businesses in the industries that we regulate: food & standards; drugs, cosmetics & medical devices; alcoholic liquor; occupational and professional trades; and legal gaming. We do this by regulating and monitoring the marketplace, enforcing the laws and educating and empowering consumers to make better informed choices when purchasing products or services.

The Department issues over 220,000 licenses, registrations and permits annually, bringing significant revenue into the State's coffers. In the last fiscal year, agency revenues to the General Fund totaled \$41,800,716 and revenues to the Transportation Fund totaled \$1,866,361. By comparison, our General Fund operating expenses were \$14,359,404. Additionally, DCP's Gaming Division has oversight responsibility for the Connecticut Lottery Corporation and the casinos, which contributed over \$591 million to the State last fiscal year.

The State's economic reality has challenged every state agency to do more with less. Since Fiscal Year Ending 2011, when the Department of Special Revenue Services was merged into DCP, our staffing levels have decreased from 252 full time equivalents to just under 220 full time equivalents in FYE 2016. At approximately the same time, new applications for credentials increased from 40,357 to 49,075 and renewals increased from 165,855 to 176,197.

Throughout the last six years, the Department has worked hard to provide essential, core services in the most efficient, cost-effective way by focusing our resources on work that protects public health and safety and prevents significant economic harm to consumers and businesses. We're doing this through improved education, compliance and enforcement and also by replacing inefficient and obsolete ways of doing business with improved processes. We would like to take a moment to give you some examples:

- First, DCP is constantly working to enhance our e-licensing system and to increase the use of the system by licensees. In 2016, these efforts resulted in over \$60,000 in savings in printing and postage costs as more licensing transactions occurred online rather than through the mail.
- DCP also continues to utilize Lean events to identify and eliminate wasteful work and replace inefficient practices with streamlined processes. A good example of how this works is the Lean event that was completed for our casino licensing unit. This led to the elimination of paper renewals for most casino licenses. DCP staff

was spending 7-8 months processing the 15,000 casino renewals covered by the Lean event. The new process, by comparison, takes less than 2 months. Because of the successes we've experienced with Lean events, there has been a tremendous change in culture at DCP; it's become a part of how people think about their work. In fact, in 2016, there were 19 process improvement events, only four of them were formal Lean events.

- We also spend more time working with, and educating, business groups and consumers. Ensuring that everyone knows the rules, and has the tools to protect themselves from fraudulent activity, creates a more fair, and transparent market place while reducing the time spent investigating complaints. We are accomplishing this not only through traditional channels, but through increased efforts to speak to communities that have not been reached sufficiently due to language and cultural barriers and low literacy.

The significant time savings accomplished through these initiatives are enabling DCP to better allocate our internal resources so that we can handle the ebb and flow of workloads without filling most vacancies or decreasing service to the public. In fact, these processes enabled us to take on, with no staff, the administrative work of the Board of Accountancy, which was moved to DCP last year without the three employees that served the Board. Not only were we able to absorb this heavy work load by reallocating staff, but we also were able to improve the Board's licensing processes so that the turnaround time for an application has decreased from about 65 days to eight and a half days.

While we are doing more with less, and doing it better, we can and must do more. We need to continue to eliminate tasks in areas that really don't make a difference to the welfare, health or safety of the public. We have a proposal this year to eliminate DCP's role in permitting charitable games such as raffles, bazaars and bingo, and we also are working to identify other credentials that do not protect the public. We look forward to

continuing our work with the Governor, our sister agencies and all of you here in the Legislative Branch to achieve these goals.

Thank you again for the opportunity to appear before you this morning. We are proud of the hard work of DCP's employees and happy to answer any questions you may have.